



Miami-Dade County Board of County Commissioners

Office of the Commission Auditor

Legislative Analysis

**Community Empowerment and Economic
Revitalization Committee**

Tuesday, June 14, 2005

2:00 PM

Commission Chamber

Charles Anderson, CPA
Commission Auditor

111 NW First Street, Suite 250
Miami, Florida 33128
305-375-4354

**Miami-Dade County Board of County Commissioners
Office of the Commission Auditor**

Legislative Analysis

**Community Empowerment & Economic Revitalization Committee
Meeting Agenda
June 14, 2005**

Written analyses for the below listed items are attached for your consideration in this Legislative Analysis.

Item Number(s)

3(B), 3(C)	4(C)
4(D)	4(E)

If you require further analysis of these or any other agenda items, please contact Gary Collins, Acting Chief Legislative Analyst, at (305) 375-1826.

Acknowledgements--Analyses prepared by:
Bia Marsellos, Legislative Analyst

June 14, 2005

LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

*ORDINANCE GRANTING ENTERPRISE ZONE AD VALOREM TAX EXEMPTION
UNDER ORDINANCE 96-74 FOR R.K.M.R., INC. d/b/a HIGH TECH ELECTRONICS.*

Office of Community and Economic Development

*ORDINANCE GRANTING ENTERPRISE ZONE AD VALOREM TAX EXEMPTION
UNDER ORDINANCE 96-74 FOR LEASA INDUSTRIES CO., INC.*

Office of Community and Economic Development

I. SUMMARY

The Office of Community and Economic Development (OCED) recommends that the Board of County Commissioners (BCC) approve the ordinances granting Enterprise Zone Ad Valorem Tax Exemption to R.K.M.R., Inc. d/b/a High Tech Electronics and LEASA Industries Co., Inc.

II. PRESENT SITUATION

The Enterprise Zone Ad Valorem Tax Exemption was authorized by the BCC through Ordinance 88-27 and revised under Ordinance 96-74. In order to be eligible for the exemption, a new or expanding business must create a minimum of five (5) new full-time jobs. If 20% or more of the company's employees are residents of an Enterprise Zone, the exemption for that year will be 100% of the assessed value of all improved real property or tangible personal property. If the company does not meet the 20% requirement, then its exemption will be limited to 50% of the assessed value. OCED will monitor the firm's compliance during the life of the exemption.

III. POLICY CHANGE AND IMPLICATION

None.

IV. ECONOMIC IMPACT

CEERC Item	3(B)	3(C)
Company	R.K.M.R., Inc. d/b/a High Tech Electronics	LEASA Industries Co., Inc.
Projected Total Jobs	9	73
Projected New Jobs	9	31
EZ Employees	5 (55%)	39 (53%)
Total New Investment	\$150,000	\$60,000
Term	5 years	5 years
Exemption Per Year	\$374.41	\$463.00

V. COMMENTS AND QUESTIONS

None.

LEGISLATIVE ANALYSIS

ITEM 4 (C) RESOLUTION AUTHORIZING THE ALLOCATION OF \$850,000 FROM SURTAX INCENTIVE POOL FUNDS TO BAYWINDS ASSOCIATES, LTD. FOR THE BAYWINDS APARTMENTS; AND AUTHORIZING THE COUNTY MANAGER OR HIS DESIGNEE TO EXECUTE ANY NECESSARY AGREEMENTS.

Miami-Dade Housing Agency

I. SUMMARY

This resolution allocates \$850,000 in Surtax Incentive Pool funds to Baywinds Associates, Ltd. for the Baywinds Apartments. This allocation is recommended by the Miami-Dade Housing Agency (MDHA) and approved by the Affordable Housing Advisory Board (AHAB) at its September 22, 2004 meeting. This development located at 11900 N.E. 16th Avenue, is complete and has been fully leased since April 2003.

II. PRESENT SITUATION

This development houses families who earn up to 60% of the median income for that area. There are 204 rental units consisting of 1, 2 & 3 bedroom apartments.

Number of Bedrooms	Square Footage	Gross Rent	Number of Units
1	825	\$593	48
2	1,075	\$711	84
3	1,275	\$822	72

III. POLICY IMPLICATIONS

None.

IV. ECONOMIC IMPACT

The original projected cost at the time of the loan closing was **\$16,042,000**. The revised amount reflects a total cost of **\$19,945,563**. Although this project ran **\$3,903,563** over the amount originally expected, the developer has been able to restructure the project financing. However, there remains a financing gap of **\$850,000**.

The BCC has previously awarded \$1,000,000 of Surtax 2002 funds and \$750,000 of Surtax 2003 funds. MDHA is requesting an additional \$850,000 be allocated from the Surtax Incentive Pool funds.

V. COMMENTS AND QUESTIONS

The total project cost substantially increased due to the restoration of the historic Burr Residence. Additionally, the developers were required to perform utility construction work by Florida Power and Light that was not originally anticipated and delayed the project by six months.

June 14, 2005**LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT****RESOLUTION APPROVING QUALIFIED TARGET INDUSTRY TAX REFUND FOR
CONFIDENTIAL PROJECT NO. 05-00257.**

Office of Community and Economic Development

I. SUMMARY

The Office of Community and Economic Development recommends that the Board of County Commissioners approve the referenced Qualified Target Industry (QTI) tax refund applications and agreements.

II. PRESENT SITUATION

The QTI tax refund program is pursuant to Florida Statutes Section 288.106. The program's intent is to attract relocating out-of-area businesses and to encourage expansion of existing local companies by providing a tax refund.

III. POLICY CHANGE AND IMPLICATION

None.

IV. ECONOMIC IMPACT

<u>Project Name</u>	<u>Direct Jobs</u>	<u>In- Direct Jobs</u>	<u>Capital Investment</u>	<u>Estimated Incremental County Tax Revenue</u>	<u>County 20% Maximum Contribution</u>	<u>State 80% Maximum Contribution</u>
Confidential Project No. 05-00257	30	20	\$525,000	\$34,837	\$30,000	\$120,000

V. COMMENTS AND QUESTIONS

- This is a new import/export database and software business looking to establish their international headquarters and sales office in the enterprise zone.
- The funding for the Miami-Dade portion of the QTI shall come from the County's General Revenue Fund.
- Princeton, New Jersey is another location under consideration for this project.

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LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

**TARGETED JOBS INCENTIVE FUND PROGRAM PARTICIPATION FOR
CONFIDENTIAL PROJECT NO. 05-00289.**

Office of Community and Economic Development

I. SUMMARY

The Office of Community and Economic Development in conjunction with the Beacon Council recommends that the Board of County Commissioners approve the referenced Targeted Job Incentive Fund (TJIF) application and agreements.

II. PRESENT SITUATION

The TJIF is an initiative by The Beacon Council and Miami-Dade County patterned after the State of Florida Qualified Target Industry Tax Refund Program (QTI). The program's intent is to attract relocating out-of-area businesses and encourage expansion of existing local companies by providing cash incentive awards.

III. POLICY CHANGE AND IMPLICATION

None.

IV. ECONOMIC IMPACT

<u>Project Name</u>	<u>Direct Jobs</u>	<u>In-Direct Jobs</u>	<u>Capital Investment</u>	<u>Estimated Incremental County Tax Revenue</u>	<u>Maximum Incentive Award</u>
Confidential Project No. 05- 00289	50	15	\$5.1 Million	\$187,551	\$150,000

V. COMMENTS AND QUESTIONS

- This is an expansion of an existing manufacturing/packaging distributor of vitamins and supplements business.
- The funding requested is from the County's General Revenue Fund.